

ECONOMIC RECOVERY BOARD FOR CAMDEN

June 9, 2005

NJEDA Headquarters –Trenton

SPECIAL MEETING MINUTES

Members of the Board present: State Treasurer, John E. McCormac, Chairman; Ann Flynn representing Commissioner Susan Bass Levin; Present via conference call: Chief Operating Officer Randy Primas; Dennis Kille representing Mayor Gwendolyn Faison; Tina Vignali representing Council President Angel Fuentes, and Public Members: William Hosey, Robert Milner, and Rosa Ramirez.

Also Present: Assistant Secretaries Maureen Hassett, and Preston Pinkett; Bette Renaud, Deputy Attorney General, via conference call; Anthony DeFelice, Deputy Attorney General; EDA staff; and guests.

Absent: Carlos Medina, designee for Al Koeppel; Vice Chairman, Reverend J. C. Jones; Legislative Members: Senator Wayne Bryant, and Assemblyman Joseph Roberts; Freeholder Director Louis Capelli, Jr.; Mayor M. James Maley, Jr., representative of the Regional Impact Council, and Public Member Rodney Sadler.

Chairman McCormac called the meeting to order at 10:15 am.

In accordance with the Open Public Meetings Act, Ms. Hassett announced that notice of this meeting has been sent to the *Star Ledger*, the *Times*, the *Courier Post* and the *Philadelphia Inquirer* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

MINUTES OF BOARD MEETING

Chairman McCormac started the meeting by stating the New Jersey Tax Lien Financing Corp. ("TLFC") Project (P016357) was proposed to solve a long-standing problem by the simplest and least costly method. He stated that approval of the project would wrap up numerous meetings, including over 18 months of discussion and ensure that the City gets what it needs to execute foreclosures for the purpose of collecting delinquent taxes and begin assembling and disposing land for redevelopment.

Ms. Hassett stated this is a \$3,000,000 loan to TLFC to purchase 100% of a finite pool of the City of Camden's municipal tax liens, which amounts to approximately \$130 million and would satisfy 3 primary objectives: 1) The City would use the proceeds to provide a upfront payment of \$1,000,000 to the Camden County Municipal Utilities Authority (CCMUA) for its portion of the tax lien pool, 2) pay the financing and legal costs associated with this specific financing transaction and; 3) establish a working capital reserve account. The terms and conditions of the application of collections and the replenishment of the working capital reserve account are being negotiated.

Ms. Hassett stated that the collections would have a waterfall effect, with application to several funds buckets. Collections from the Tax Lien Pool will be applied to pay the custodial fee and the Servicing Agent fee, then allow for the reimbursement of the TLFC's annual audit and legal expenses not to exceed \$75,000, pay the interest and principal on the ERB loan, and replenish the Working Capital Reserve Account to maintain a \$1,000,000 balance. This is a key component because the City does not have sufficient funds to set up an account for his purpose. The working capital reserve account will allow the City to pay the foreclosure costs. The remaining funds will be paid to the City and CCMUA on a pro rata basis.

COO Randy Primas clarified that the CCMUA would not receive any additional payments. Rosa Ramirez asked how much the CCMUA will be paid. COO Randy Primas answered \$1,000,000.

Ms. Hassett stated there are contingencies for the closing which include receipt and satisfactory review of a monthly tax lien collection cash flow for the identified Tax Lien Pool, the terms and conditions of the application of collections and replenishment of reserve accounts to be finalized by the CEO of the NJEDA and the State Treasurer, per review by the DAG's office, and receipt and satisfactory review of the Servicing Agreement between the City of Camden and XSPAND, Inc.

Finally, TLFC will receive an assignment of the agreement between the City and XSPAND and the ERB will be a third party beneficiary to the agreement between the City and XSPAND.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Primas AYES: 7

Chairman McCormac requested public comments.

There were no comments from the public.

There being no further business, on a motion by Mr. Primas, and seconded by Mr. Hosey, the meeting was adjourned at 10:27 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the State Economic Recovery Board for the City of Camden at its meeting.



Maureen Hassett, Vice President
Strategic Partnerships, EDA
Assistant Secretary, ERB